

Homestead Property Tax Credit

Program Purpose and Description

This program was designed to limit the amount of the annual increase in taxable assessments for eligible owner occupied properties. The program dates back to the late 1970's, a period of rapid escalation in property values. State law requires each Maryland local government to establish a limit on how much owner occupied residential taxable assessments may increase each year. The program protects homeowners from increases in taxable assessment above the level established by local law, or 10%, if no local action is taken. In the early 1990's, the City established the annual cap at 4% and it continues to be set at 4% today. The credit is applied against the taxes due on the portion of the reassessment exceeding the 4% homestead cap. Refer to example on next page for further explanation.

Application Process:

This credit requires no application process and is applied directly to the property owner's tax bill.

Contact:

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Legal Reference

- State legislation - Annotated Code of Maryland, Tax Property Article, Section 9-105 (2004, Chapter. 43, § 1; Chapter 501).
- Baltimore City Code, Article 28-Taxes, Section 10-1 (Ordinance 92-156).